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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934For the quarterly period ended March 31, 1992

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 2-88147RIO HOTEL & CASINO INC.

(Exact name of registrant as specified in its charter)

Nevada(State or other jurisdiction of
incorporation or organization)95-3671082(I.R.S. Employer
Identification No.)3700 West Flamingo Road, Las Vegas, Nevada 89103

(Address of principal executive offices)

(Zip Code)

(702) 252-7733

(Registrant's telephone number, including area code)

Not applicable(Former name, former address and former fiscal year, if changed since last
report)Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.Yes ☒ No ☐APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARSIndicate by check mark whether the registrant has filed all documents and
reports required to be filed by Sections 12, 13 or 15(d) of the Securities
Exchange Act of 1934 subsequent to the distribution of securities under a
plan confirmed by a court.Yes ☐ No ☐

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes
of common stock, as of the latest practicable date.13,745,923 shares of Common Stock, \$.01 par value as of May 6, 1992This document consists of 22 pages with exhibits, **PROCEEDING** exhibits.BEST COPY
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RIO HOTEL & CASINO, INC. AND SUBSIDIARIES

FORM 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	March 31, 1992 (Unaudited)	December 31, 1991
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,435,239	\$ 11,388,382
Accounts receivable, net	1,361,397	1,514,624
Inventories	536,111	555,467
Prepaid expenses and other current assets	<u>1,515,932</u>	<u>1,125,439</u>
Total current assets	<u>15,848,679</u>	<u>14,583,912</u>
Property and equipment		
Land and improvements	24,014,213	24,014,213
Building and improvements	62,036,847	61,643,352
Equipment, furniture and improvements	21,305,076	20,495,067
Less: accumulated depreciation	<u>(10,702,726)</u>	<u>(9,620,072)</u>
Net property and equipment	<u>96,653,410</u>	<u>96,532,560</u>
Other assets, net	<u>1,016,095</u>	<u>1,150,811</u>
	<u>\$113,518,184</u>	<u>\$112,267,283</u>

See Accompanying Notes to Consolidated Financial Statements.

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)

	March 31, <u>1992</u> (Unaudited)	December 31, <u>1991</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities		
Current maturities of long-term debt	\$ 3,406,520	\$ 3,524,646
Accounts payable	2,444,638	1,918,625
Accrued expenses	3,597,226	3,941,039
Accrued interest	<u>18,406</u>	<u>22,104</u>
Total current liabilities	<u>9,466,790</u>	<u>9,406,414</u>
Non-current liabilities		
Long-term debt, less current maturities	<u>52,888,838</u>	<u>53,494,595</u>
Total liabilities	<u>62,355,628</u>	<u>62,901,009</u>
Minority interest	<u>1,836,860</u>	<u>1,748,146</u>
Stockholders' equity		
Stock exchange rights, exchangeable into 687,551 shares of common stock	3,455,040	3,660,619
Common Stock, \$.01 par value; 30,000,000 shares authorized; issued and outstanding 13,662,855 (1992) and 13,615,696 (1991) shares, respectively	136,630	136,158
Additional paid-in capital	46,598,968	46,334,180
Accumulated deficit	<u>(864,942)</u>	<u>(2,512,829)</u>
Total stockholder's equity	<u>49,325,696</u>	<u>47,618,128</u>
	<u>\$113,518,184</u>	<u>\$112,267,283</u>

See Accompanying Notes to Consolidated Financial Statements.

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>1992</u> (Unaudited)	<u>March 31,</u> <u>1991</u> (Unaudited)
Revenues:		
Casino	\$ 13,298,703	\$ 10,376,404
Room	2,422,256	2,481,784
Food and beverage	4,952,325	3,783,537
Other	645,090	626,898
Casino promotional allowances	<u>(1,798,098)</u>	<u>(1,653,917)</u>
	<u>19,520,276</u>	<u>15,614,706</u>
Expenses:		
Casino	5,293,503	5,363,318
Room	1,049,867	1,126,771
Food and beverage	5,286,966	3,943,882
Other	363,229	426,251
Selling, general and administrative	1,425,484	2,731,141
Depreciation and amortization	<u>1,391,457</u>	<u>1,272,888</u>
	<u>16,810,506</u>	<u>14,864,251</u>
Operating profit	<u>2,709,770</u>	<u>750,455</u>
Other income (expense)		
Interest income	79,228	120,784
Interest expense	(1,146,033)	(1,483,175)
Other income, net	<u>100,000</u>	<u>300,000</u>
	<u>(966,805)</u>	<u>(1,062,391)</u>
Income (loss) from continuing operations before income tax (provision) benefit	1,742,965	(311,936)
Income tax provision	<u>(566,470)</u>	<u>-</u>
Income (loss) from continuing operations	1,176,495	(311,936)

See Accompanying Notes to Consolidated Financial Statements.

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>1992</u> (Unaudited)	<u>March 31,</u> <u>1991</u> (Unaudited)
Income (loss) from continuing operations	\$ 1,176,495	\$ (311,936)
Minority interest in consolidated partnership loss (income)	(95,078)	18,723
Loss from operations of discontinued real estate and development segment, net of income tax benefit	<u>-</u>	<u>(766,268)</u>
Income (loss) before extraordinary item	1,081,417	(1,059,481)
Extraordinary item:		
Reduction of Federal income taxes arising from carry-forward of prior year's operating loss	<u>566,470</u>	<u>-</u>
Net income (loss)	<u>\$ 1,647,887</u>	<u>\$ (1,059,481)</u>

See Accompanying Notes to Consolidated Financial Statements.

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (CONTINUED)

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>1992</u> (Unaudited)	<u>March 31,</u> <u>1991</u> (Unaudited)
Earnings per common share:		
Primary:		
Income (loss) from continuing operations applicable to common shares, net of preferred dividends	\$.07	\$ (.04)
Loss from discontinued operations	-	(.10)
Extraordinary credit:		
Reduction of Federal income taxes arising from carryforward of prior year's operating loss	<u>.04</u>	<u>-</u>
Net income (loss)	\$ <u>.11</u>	\$ <u>(.14)</u>
Weighted average number of common shares outstanding	<u>14,563,230</u>	<u>7,530,150</u>
Fully Diluted:		
Income (loss) from continuing operations applicable to common shares, net of preferred dividends	\$.07	\$ (.04)
Loss from discontinued operations	-	(.10)
Extraordinary credit:		
Reduction of Federal income taxes arising from carryforward of prior year's operating loss	<u>.04</u>	<u>-</u>
Net income (loss)	\$ <u>.11</u>	\$ <u>(.14)</u>
Weighted average number of common shares outstanding	<u>14,609,212</u>	<u>7,530,150</u>

See Accompanying Notes to Consolidated Financial Statements.

RIO HOTEL & CASINO, INC., AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	<u>Three Months Ended</u>	
	March 31,	March 31,
	<u>1992</u> (Unaudited)	<u>1991</u> (Unaudited)
Cash Flows from Operating Activities:		
Net income (loss)	\$ 1,647,887	\$(1,059,481)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Minority interest in net income (loss)		
of consolidated partnerships	95,078	(77,808)
Depreciation and amortization	1,391,457	1,311,071
Provision for uncollectible accounts	66,024	(85,637)
Unrealized gain on marketable securities	-	(41,050)
(Gain) loss on sale of assets	275,663	87,947
(Increase) decrease in assets:		
Receivables	87,203	289,534
Inventories	19,356	126,135
Prepaid expenses and other current assets	(390,493)	159,996
Other, net	331,981	(20,261)
Increase (decrease) in liabilities:		
Accounts payable	526,013	1,856,671
Accrued expenses	(343,813)	170,371
Accrued interest	(3,698)	(38,807)
Deferred revenues	<u>-</u>	<u>917,163</u>
Net cash provided by operating activities	<u>3,702,658</u>	<u>3,595,844</u>
Cash Flows from Investing Activities:		
Proceeds from sale of marketable securities	-	30,388
Proceeds from sale of assets	90,975	99,966
Principal payments made on notes receivable	-	4,023
Return of partnership investment	-	300
Loans made to related parties	-	(10,000)
Purchase of land and improvements	-	(493,884)
Additions to hotel/casino	(393,495)	(73,205)
Purchase of equipment, furniture and improvements	<u>(1,682,715)</u>	<u>(1,387,916)</u>
Net cash used in investing activities	<u>(1,985,235)</u>	<u>(1,830,328)</u>

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>1992</u> (Unaudited)	<u>March 31,</u> <u>1991</u> (Unaudited)
Cash Flows from Financing Activities:		
Proceeds from borrowings	\$ -	\$ 4,249,671
Capital contributed from minority interests in consolidated partnerships	-	13,495
Issuance of common stock	53,317	-
Payments made on notes and loans payable	(723,883)	(1,419,264)
Payments on related party debt	-	(1,100,000)
Dividends paid	<u>-</u>	<u>(17,753)</u>
Net cash provided by (used in) financing activities	<u>(670,566)</u>	<u>1,726,149</u>
Net increase (decrease) in cash and cash equivalents	<u>1,046,857</u>	<u>3,491,665</u>
Balance of cash and cash equivalents, beginning of period	<u>11,388,382</u>	<u>6,801,501</u>
Balance of cash and cash equivalents, end of period	<u>\$12,435,239</u>	<u>\$10,293,166</u>

See Accompanying Notes to Consolidated Financial Statements.

RIO HOTEL & CASINO INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Supplemental Schedule of Noncash Investing and Financing Activities

1992

During January 1992, the Company exchanged 40,910 stock exchange rights for 40,910 shares of the Company's common stock. The transaction resulted in the following changes:

Common Stock	\$ 409
Additional Paid-In Capital	211,534
Minority Interest	(6,364)
Stock Exchange Rights	<u>(205,579)</u>
	\$ <u>-0-</u>

1991

On March 28, 1991, the Company exchanged 1,054,778 stock exchange rights for 1,054,778 shares of the Company's common stock. The transaction resulted in the following changes:

Common Stock	\$ 10,548
Additional Paid-In Capital	2,099,009
Minority Interest	(164,081)
Stock Exchange Rights	<u>(1,945,476)</u>
	\$ <u>-0-</u>

Construction in progress financed through construction loans and payables totaled \$2,087,058.

Costs of \$690,163 previously incurred in connection with the final acquisition of property in the current year were reclassified from other assets to land and improvements.

During January, 1991, the Company canceled \$50,000, in principal on a stock subscription receivable to the Company from a former officer of the Company. The stock subscription receivable was incurred in connection with the purchase of 50,000 shares of common stock in July 1987.

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>1992</u> (Unaudited)	<u>March 31,</u> <u>1991</u> (Unaudited)
Cash payments made for interest (net of amounts capitalized)	\$ <u>1,149,731</u>	\$ <u>2,084,768</u>
Cash payments made for taxes	\$ <u>-</u>	\$ <u>-</u>

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - The consolidated financial statements include the accounts of Rio Hotel & Casino, Inc. ("RHCI" or the "Company") and its majority-owned subsidiaries; MarCor Resort Properties, Inc. ("MRPI"); MarCor Rio Holding Corp. (a subsidiary of MRPI); and four limited partnerships, The Cannery L.P. (until its sale on December 30, 1991); MarCor Green Valley L.P. (until its sale on December 30, 1991; and MarCor Resorts, L.P. V (the "Rio Partnership") (collectively the "Company"). The partnerships are included in the accounts of the Company as a result of the Company retaining more than a 50% ownership interest or a "controlling" interest as defined by Statement of Financial Accounting Standards No. 94, "Consolidation of All Majority Owned Subsidiaries". On January 15, 1990, the Rio Suite Hotel & Casino ("Rio") commenced operations. The Rio, a 424 suite hotel/casino with approximately 44,000 square feet of casino space, is located on a 45 acre site in the greater Las Vegas area. Prior to September 28, 1990, controlling interest had been established in the Rio Partnership as a result of RHCI's financial control including, among other items, its authority as the sole general partner, the limited voting rights of the limited partners, and RHCI's extension of an unconditional guaranty of all of the obligations of the general partner. On September 28, 1990, RHCI increased its ownership and interest in the Rio Partnership to 95.75%.

On February 18, 1992, the Company offered to acquire the remaining 4.25% limited partnership interests in the Rio Partnership. Holders of 3.25% of these interests accepted the Company's offer. These holders will receive a total of 354,546 shares of RHCI Common Stock in exchange for their limited partnership interests. This transaction must first be approved by the Nevada gaming authorities, which the Company expects to occur by September 1992.

The Company, in its capacity as general partner of the Rio Partnership, has also tentatively authorized a proposed merger of the Rio Partnership with one of RHCI's subsidiaries. The Company owns sufficient limited partnership interests of the Rio Partnership to assure approval of the merger. The remaining 1% limited partners will receive 109,091 shares of RHCI Common Stock. The proposed merger is also subject to approval by the Nevada gaming authorities.

The anticipated result of these proposed transactions will be the cessation of existence of the Rio Partnership and the replacement with a new corporate subsidiary, the issuance of 463,637 shares of RHCI common stock, for a total of 14,814,042 shares after all exchange rights are exercised, and the elimination of the existing minority interest in the Rio. All significant intercompany balances and transactions have been eliminated in consolidation. The account balance of minority interest will be credited to stockholders equity.

The consolidated balance sheet as of March 31, 1992 and the related consolidated statements of operations and consolidated statements of cash flow for the three-month periods ended March 31, 1992 and March 31, 1991 are unaudited but, in the opinion of management, reflect all adjustments necessary for a fair presentation of results for such

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

periods. The results of operations for an interim period are not necessarily indicative of the results for the full year. The consolidated financial statements should be read in conjunction with the financial statements and notes thereto contained in the Registrant's annual report for the year ended December 31, 1991.

The financial statements for prior periods reflect certain reclassifications, which have no effect on net income (loss), to conform with classifications adopted in the current year.

The Company's consolidated balance sheet for the year ended December 31, 1991 is audited.

Note 2 - On September 28, 1990, the Company's second-tier subsidiary, MarCor Rio Holding Corp. issued 6,638,214 shares of preferred stock ("Holding Shares") in exchange for 60.85 Rio Partnership Units. These Holding Shares can be exchanged for RHCI common stock on a one-for-one basis after March 28, 1991, and the Company can require conversion any time on or after December 31, 1999. The Rio Partnership's net loss through September 30, 1990 was allocated in full to the owners of record at September 28, 1990. In connection with this transaction, the Company paid \$13,681,286 of costs in excess of recorded minority interests for the Rio Partnership Units. All costs were allocated to assets based on fair market values, however, the costs in excess of recorded minority interests paid to related parties were not recorded.

The values of the Holding Shares and stock exchange rights were allocated between the two based on the Company's estimate of relative fair market values. The Holding Shares contain a non-cumulative dividend right which is permitted to be paid after certain conditions are met, which is permitted but not required. The Holding Shares do not have voting rights. The Holding Shares also contain a stated liquidation preference of \$6.50 a share or an aggregate liquidation preference of \$4,469,082 based on 687,551 holding shares outstanding at March 31, 1992. The Company has reflected the cost of the acquisition of the stock exchange rights in its stockholder's equity. As of March 31, 1992, 5,950,663 Holding Shares had been exchanged for RHCI common stock.

Note 3 - Beginning May 1, 1991 the Company renewed its management and consulting contract with Marnell Corrao Associates, Inc. Under the terms of the \$1,200,000 contract, the Company agreed to provide certain real estate, financial and supervisory services through April 30, 1992. This contract was terminated three months early, on January 31, 1992, by mutual agreement of the parties. Revenues earned during the three-month period ended March 31, 1992 for services rendered to Marnell Corrao Associates, Inc. totaled \$100,000. The sole stockholder of Marnell Corrao Associates, Inc. is Marnell Corrao, Inc. The principal stockholder of Marnell Corrao, Inc. is Anthony A. Marnell II, Chief Executive Officer and controlling stockholder of the Company.

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4 - Long-term debt consists of the following:

	<u>March 31,</u> <u>1992</u>	<u>March 31,</u> <u>1991</u>
Bank term loan, under a \$55,000,000 bank facility, with interest at prime plus 1.375 percent, subject to a reduction to prime plus 1.125 percent; monthly principal payments of \$116,350 plus interest beginning February 1, 1991, with principal payments escalating in each anniversary year through 1995 to a maximum of approximately \$187,589 per month. On the seventh anniversary of the execution date in 1996 all unpaid principal and interest will be due. The loan is collateralized by a first deed of trust on Rio property and equipment.	\$53,210,421	\$ 54,650,938
Interim construction loans with interest at prime plus 1.25% to 1.50% to fixed rates of 12%. Interest only payments are due monthly.	-	6,474,231
Land purchase loans, with fixed interest rates ranging from 9% to 12%, and prime plus 1.5%; interest only payments on most notes; the remaining note is due July 1, 1992. The notes are collateralized by first and second deeds of trust on land and were paid in full April 1992.	1,500,000	7,546,000
Bank term loan, under a \$1,500,000 bank facility with interest at prime plus 1.0%; principal payments quarterly of \$25,000 plus interest beginning July 30, 1991 with principal payments escalating in each anniversary year through 1994 to a minimum of approximately \$45,000 quarterly. On April 30, 1994, all remaining principal and related interest will be due. The loan is collateralized by first and second deeds of trust on land.	1,425,000	-
Mortgage note payable on the Cannery, with interest at prime plus 2%. Principal payments of approximately \$6,000 monthly plus interest on the remaining mortgage.	-	2,420,982
Revolving lines of credit with interest at prime plus 1.5%. Total credit available at March 31, 1991 was \$3,000,000. The line of credit matured August 1, 1991 and was retired.	-	1,764,000

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	March 31, <u>1992</u>	March 31, <u>1991</u>
Unsecured bank note, with interest at prime plus 1.5%. Interest only payments are due monthly.	-	1,525,000
Other notes payable, with interest at varying rates. Principal and interest payments are due monthly. Certain notes are secured by equipment.	<u>159,937</u>	<u>314,979</u>
	56,295,358	74,696,130
	<u>(3,406,520)</u>	<u>(5,366,560)</u>
Less current maturities	<u>\$52,888,838</u>	<u>\$69,329,570</u>

The prevailing prime interest rate at March 31, 1992 was 6.5%.

On January 11, 1989, the Rio Partnership entered into a loan agreement (the "Rio Bank Loan") with a consortium of banks (the "Lenders") for \$50,000,000 to finance the construction of the Rio. On December 11, 1990, the note was amended and increased to \$55,000,000. The Company and certain key stockholders are guarantors of the loan. The loan is secured by certain real and personal property of the Rio Partnership.

The terms of the loan contain certain financial and operational covenants with respect to the Rio Partnership. These covenants include the restriction on the sale or other disposition of certain partnership assets, limits on annual partnership capital expenditures, limits on the incurrence of additional partnership debt, limits on partnership distributions, restriction on the transfer of certain general partnership and initial limited partnership interests, and maintenance of certain partnership financial ratios and the maintenance of a minimum partnership tangible net worth, as defined, of \$30,000,000.

Effective May 7, 1992, the Company and the Rio Bank Loan Lenders amended the Rio Bank Loan to increase the annual capital expenditure limit to \$2,500,000 with a possible increase to \$4,500,000, subject to the Company depositing additional funds into a Capital Surplus Account, subject to certain restrictions; to increase the scheduled monthly principal payments due under the Rio Bank Loan by \$30,000 per month throughout the term of the loan; modify the definition of "fixed charge coverage ratio"; and to convert \$5,000,000 of the Rio Bank Loan to a revolving line of credit loan which may be paid down and reborrowed throughout the term of the loan. Based upon the present operations of the Rio, internal projections of revenues and expenses, and other anticipated cash requirements of the Rio Partnership during 1992, the Company anticipates meeting required principal and interest payments under the Rio Bank Loan during 1992.

The loan is classified as long-term except for normally scheduled principal payments.

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The carrying value of assets included in the consolidated financial statements which collateralized notes and loans payable, are as follows:

	<u>March 31,</u> <u>1992</u>	<u>March 31,</u> <u>1991</u>
Building and improvements	\$ 62,036,847	\$ 61,592,615
Rental real estate	-	2,648,800
Equipment, furniture and improvements	21,305,076	19,016,665
Land and improvements	24,014,213	33,194,570
Construction in progress	-	7,074,451
Land held for investment	-	<u>3,085,043</u>
	<u>\$107,356,136</u>	<u>\$126,612,144</u>

Note 5 - Indebtedness to Related Parties

At March 31, 1992, there were no notes payable to related parties. At March 31, 1991, there were notes payable to related parties totaling \$13,805,000, with interest at prime to prime plus 2%; payment of principal and interest on certain notes totaling \$3,130,000 were subject to the terms of a Subordination Agreement to the Rio Bank Loan (Note 4.) The notes were unsecured.

Note 6 - Discontinued Operations

On December 30, 1991, the Company disposed of its non-gaming real estate assets and operations. Results for the quarter ended March 31, 1991 from the discontinued operations are as follows:

Revenues	\$ 357,346
Expenses	<u>(1,182,699)</u>
Loss before minority interest	(825,353)
Minority interest	<u>59,085</u>
Net loss	<u>\$ (766,268)</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

MATERIAL CHANGES IN FINANCIAL CONDITION:

Liquidity and Capital Resources

The consolidated financial statements of RHCI include its primary operating subsidiary, the 95.75%-owned Rio Partnership, the owner and operator of the Rio. Due to material covenants in the Rio Bank Loan, the \$55,000,000 construction and term loan used for the Rio, and certain terms and conditions of other contractual restrictions on the Rio Partnership and RHCI, the ability of the Rio Partnership to distribute cash to RHCI is restricted. RHCI does not anticipate cash distributions to be made from the Rio Partnership during calendar year 1992. Accordingly RHCI's liquidity at the parent corporation level will be limited. Management believes that the Rio Partnership will generate sufficient cash flow from operations at the Rio to fulfill its liquidity needs.

Effective May 7, 1992, the Company and the Rio Bank Loan Lenders amended the Rio Bank Loan to increase the annual capital expenditure limit to \$2,500,000 with a possible increase to \$4,500,000, subject to the Company depositing additional funds into a Capital Surplus Account, subject to certain restrictions; to increase the scheduled monthly principal payments due under the Rio Bank Loan by \$30,000 per month throughout the term of the loan; to modify the definition of "fixed charge coverage ratio"; and to convert \$5,000,000 of the Rio Bank Loan to a revolving line of credit loan which may be paid down and reborrowed throughout the term of the loan. Based upon the present operations of the Rio, internal projections of revenues and expenses and other anticipated cash requirements of the Rio Partnership during 1992, the Company anticipates meeting required principal and interest payments under the Rio Bank Loan during 1992.

The Company's Board of Directors recently authorized certain transactions to acquire the remaining 4.25% limited partnership interests in the Rio Partnership not held by the Company. Completion of these transactions requires the prior approval of the Nevada Gaming Commission, which approval is not anticipated until mid-summer 1992. Should these transactions be consummated, the resulting new structure of ownership will require the Rio Bank Loan lenders' consent, which may include, although no assurances can be given, a modification of the restrictions on cash distributions to the parent corporation. Following consummation of these transactions, the Rio Bank Loan will be the primary restriction on cash distributions from the Rio operating entity to RHCI. Until a formal resolution is reached, there can be no predictions of any such changes, and the balance of this discussion assumes no modifications of the Rio Bank Loan in this regard.

For a more detailed discussion of liquidity, please refer to "Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations", in the Rio Hotel & Casino, Inc. Form 10-K for the fiscal year ended December 31, 1991.

Financial Condition

The Company had working capital, including funds restricted for use by the Rio Partnership, of \$6,381,889 at March 31, 1992 compared to \$5,177,498 at December 31, 1991. The increase in working capital is due primarily to cash generated by operations at the Rio.

Results of Operations - Three Months Ended March 31, 1992 Compared to Three Months Ended March 31, 1991

The first quarter of 1992 was the most profitable quarter ever for the Rio. The Rio had operating profit of \$2,709,770, after depreciation and amortization charges, compared to operating profit of \$750,455 in the first quarter of 1991. This improvement was primarily a result of the Rio earning an additional \$2,922,299 in casino revenues, while at the same time experiencing a slight reduction in casino expenses.

Revenues, net of promotional allowances, increased by 25% to \$19,520,276 in the first quarter of 1992. The major components of the increase in revenues were slot revenues, which increased by \$2,328,168, and food and beverage revenues, which increased by \$1,168,788, as the number of covers served increased sharply. Overall, operating expenses increased by 13%, which when coupled with the 25% increase in revenues, resulted in a significantly larger operating profit. The increase in expenses occurred primarily in food and beverage, which had an increase of \$1,343,084 as a result of the greatly increased number of covers served, as mentioned above. Hotel revenues were \$2,422,256 in the first quarter of 1992 compared to \$2,481,784, while occupancy was 97% in the first quarter of 1992, compared to 91% in the first quarter of 1991. Selling, general and administrative expenses increased by \$694,343 to \$3,425,484 or 17.5% of revenues, in the first quarter of 1992. This compared to selling, general and administrative expenses in the first quarter of 1991 were \$2,731,141, which also represented 17.5% of revenues.

Income from continuing operations after minority interest in consolidated partnership earnings was \$1,081,417, or \$0.07 per share, for the first quarter of 1992 compared to a loss of \$293,213, or \$0.04 per share for the first quarter of 1991. Results for first quarter 1991 were further affected by a loss from discontinued real estate and development operations of \$766,268, or \$0.10 per share. Results for first quarter 1992 were positively affected by an extraordinary credit attributable to a reduction in federal income tax provision arising from carryforward of prior year's operating losses. This credit was \$566,470, or \$0.04 per share for the first quarter of 1992. The Company had a net operating loss carryforward for financial statement purposes of \$2,333,858 at December 31, 1991.

Overall net income for the first quarter of 1992 was \$1,647,887, or \$0.11 per share, compared to first quarter of 1991 loss of \$1,059,481, or \$0.14 per share.

Effect of FASB Statement No. 109

In February 1992, the Financial Accounting Standards Board (the "FASB") issued Statement No. 109, "Accounting for Income Taxes" ("SFAS No. 109") which is effective for fiscal years commencing after December 15, 1992. The Company currently intends to adopt SFAS No. 109 in the first quarter of fiscal 1993. Implementation of this statement is not expected to have a material effect on the results of operations.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

NONE

Item 2. Changes in Securities.

During the first quarter of 1992, 40,910 Holding Shares were exchanged for 40,910 shares of RHCI common stock. Also during the first quarter of 1992, certain options granted pursuant to the Company's Non-Statutory Stock Option Plan were exercised, resulting in the issuance of 6,200 shares of the Company's common stock.

Item 3. Defaults Upon Senior Securities.

NONE

Item 4. Submission of Matters to a Vote of Security Holders.

NONE

Item 5. Other Information.

The Company's Board of Directors has authorized transactions to acquire the remaining 4.25% limited partnership interests in the Rio Partnership not owned by the Company. The holders of 3.25% of such interests have accepted the Company's proposal. The Company's plans call for a transaction that will result in the remaining 1% interest also being acquired. Prior approval by the Nevada Gaming Commission must be received, and the Company anticipates action by the Nevada Gaming Commission by mid-summer 1992.

As described in Part I, "Item 2. Management's Discussions and Analysis of Financial Condition and Results of Operations," the Company amended the Rio Bank Loan effective May 7, 1992.

Item 6. Exhibits and Report on Form 8-K

(a) Exhibits

Exhibit
Number

Description

11.01 Computation of Earnings Per Common Share.

(b) Report on Form 8-K

By Report on Form 8-K dated February 28, 1992, the Company filed Amended and Restated Articles of Incorporation to change its name from MarCor Resorts, Inc. to Rio Hotel & Casino, Inc. As a result the Company's trading symbol as quoted on NASDAQ/NMS changed from MAAR to RIOH. The Company also reported that its executive offices and telephone number had changed.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Rio Hotel & Casino, Inc.
(Registrant)

May 11, 1992

Date

By /s/ JAMES A. BARRETT, JR.
JAMES A. BARRETT, JR.
President, Secretary and
Treasurer (Principal Financial
Officer)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Rio Hotel & Casino, Inc.
(Registrant)

May 11, 1992
Date

By

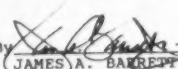

JAMES A. BARRETT, JR.
President, Secretary and
Treasurer (Principal Financial
Officer)

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>	<u>Sequential Page Number</u>
11.01	Computation of Earnings Per Common Share.	21-22

EXHIBIT 11.01

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER COMMON SHARE

	<u>Three Months Ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>1992</u>	<u>1991</u>
	(Unaudited)	(Unaudited)
Primary:		
Earnings		
Income (loss) from continuing operations before extraordinary credits	\$ 1,081,417	\$ (293,213)
Deduct: dividends on preferred stock	<u>-</u>	<u>(17,753)</u>
Loss applicable to common stock before extraordinary credits	\$ 1,081,417	\$ (310,966)
Loss from discontinued operations	<u>-</u>	<u>(766,268)</u>
Extraordinary credits	<u>566,470</u>	<u>-</u>
Income (loss) applicable to common stock	<u>\$ 1,647,887</u>	<u>\$ (1,077,234)</u>
Shares:		
Weighted average number of common shares and equivalents outstanding	14,344,548	7,530,150
Stock options	<u>218,682</u>	<u>-</u>
Weighted average number of common shares outstanding, as adjusted	<u>14,563,230</u>	<u>7,530,150</u>
Earnings per common share:		
Income (loss) from continuing operations before extraordinary credits	\$ 0.07	\$ (0.04)
Loss from discontinued operations	<u>-</u>	<u>(0.10)</u>
Extraordinary credits	<u>0.04</u>	<u>-</u>
Net income (loss) per common share	<u>\$ 0.11</u>	<u>\$ (0.14)</u>

EXHIBIT 11.01

RIO HOTEL & CASINO, INC. AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER COMMON SHARE (CONTINUED)

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>1992</u> (Unaudited)	<u>March 31,</u> <u>1991</u> (Unaudited)
Fully Diluted:		
Earnings:		
Income (loss) from continuing operations before extraordinary credits	\$ 1,081,417	\$ (293,213)
Deduct dividends on preferred stock	<u> -</u>	<u> (17,751)</u>
Income (loss) applicable to common stock before extraordinary credits	\$ 1,081,417	\$ (310,966)
Loss from discontinued operations	<u> -</u>	<u> (766,268)</u>
Extraordinary credits	<u> 566,470</u>	<u> -</u>
Income (loss) applicable to common stock	\$ <u>1,647,887</u>	\$ <u>(1,077,234)</u>
Shares:		
Weighted average number of common shares and equivalents outstanding	14,344,548	7,530,150
Stock options	<u> 264,664</u>	<u> -</u>
Weighted average number of common shares outstanding, as adjusted	<u>14,609,212</u>	<u> 7,530,150</u>
Earnings per common share:		
Income (loss) from continuing operations before extraordinary credits	\$ 0.07	\$ (0.04)
Loss from discontinued operations	<u> -</u>	<u> (0.10)</u>
Extraordinary credits	<u> 0.04</u>	<u> -</u>
Net income (loss) per common share	\$ <u>0.11</u>	\$ <u>(0.14)</u>